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COMMONWEALTH OF VIRGINIA

STATE CORPORATION COMMISSION

AT RICHMOND, OCTOBER 5, 2001

COMMONWEALTH OF VIRGINIA

At the relation of the

STATE CORPORATION COMMISSION

CASE NO. INS010258

Ex Parte, In re: Assessment upon
certain insurers to maintain the
Virginia Birth-Related Neurological
Injury Compensation Fund for Fund
program year 2002 and subsequent
Fund program years

ASSESSMENT ORDER

WHEREAS, pursuant to Virginia Code § 38.2-5021 A, the Bureau of Insurance has caused to be issued and filed herein an actuarial evaluation report of the Virginia Birth-Related Neurological Injury Compensation Fund ("Fund") for the 2000-2001 biennium together with projections for Fund program years 2002 and 2003;

WHEREAS, Virginia Code § 38.2-5020 E authorizes the Commission to assess annually all insurers licensed to write and engaged in writing the classes of insurance defined in Virginia Code §§ 38.2-117 through 38.2-119 and the liability portions of the classes of insurance defined in Virginia Code §§ 38.2-124, 38.2-125, and 38.2-130 through 38.2-132, if required to maintain the Fund on an actuarially sound basis, having taken into

account the assessments collected pursuant to Virginia § 38.2-5020 D;

WHEREAS, based on the report filed herein, the Bureau of Insurance has recommended to the Commission that, for Fund program year 2002 and subsequent Fund program years and until further order of the Commission, the aforementioned insurers be assessed at the maximum rate of 1/4 of 1% of such insurers' net direct liability insurance premiums written in the Commonwealth of Virginia in the manner required in Virginia Code § 38.2-5020 E. Moreover, based on the report filed herein, the Bureau of Insurance has further recommended that the persons set forth in Virginia Code § 38.2-5021 B be notified that the Fund cannot be maintained on an actuarially sound basis subject to the maximum assessments set forth in Virginia Code § 38.2-5020 for at least Fund program years 2002 and 2003;

AND THE COMMISSION, having considered the report filed herein and the recommendations of the Bureau of Insurance, is of the opinion and finds that (i) an assessment upon certain insurers pursuant to Virginia Code § 38.2-5020 E as recommended by the Bureau of Insurance is required; and (ii) the Fund cannot be maintained on an actuarially sound basis subject to the maximum assessments set forth in Virginia Code § 38.2-5020 for Fund program years 2002 and 2003.

THEREFORE, IT IS ORDERED THAT:

(1) all insurers licensed to write and engaged in writing the classes of insurance defined in Virginia Code §§ 38.2-117 through 38.2-119 and the liability portions of the classes of insurance defined in Virginia Code §§ 38.2-124, 38.2-125, and 38.2-130 through 38.2-132 be, and they are hereby, ASSESSED, for Fund program year 2002 and subsequent Fund program years, and until further order of the Commission, at the maximum rate of 1/4 of 1% of their net direct liability insurance premiums written in the Commonwealth of Virginia, the exact amount of each insurer's assessment to be determined by the Bureau of Insurance in the manner required in Virginia Code § 38.2-5020 E;

(2) the Bureau of Insurance shall provide each affected insurer notice of the exact amount of its assessment together with a copy of this order; and

(3) the Bureau of Insurance shall cause a copy of this order and a copy of the report filed herein to be sent to those persons set forth in Virginia Code § 38.2-5021 B as and for the notice therein required.